# Eallular Carriers Association of California

## EX PARTE OR LATE FILED

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March 13, 1995

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#### **EX PARTE**

Mr. William F. Caton
Acting Secretary
Federal Communications Commission
1919 M Street, NW, Room 222
Washington, D.C. 20554

| OCKET FILE (OPY ORIGINAL)

RE: PR Docket No. 94-105; Petition of the People of the State of California and the Public Utilities Commission of the State of California to Retain Regulatory Authority Over Intrastate Cellular Service Rates

Dear Mr. Caton:

The attached letters have been forwarded to the Commission. Please associate this material with the above-referenced proceeding.

Two copies of this notice were submitted to the Secretary of the FCC in accordance with Section 1.1206(a)(1) of the Commission's Rules.

Please stamp and return the provided copy to confirm your receipt. Please contact me at 916/553-5950 should you have any questions or require additional information concerning this matter.

Sincerely,

Louise A. Johanson Administrative Director

Attachments

cc: Regina Keeney

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California

Reed Hundt, Chairman Federal Communications Commission

Manufacturers 1919 M Street, NW **Association** 

Washington, D.C. 20554

### William CampbellDear Chairman Hundt:

President

We are writing to urge the Commission to reject the California Public Utilities Commission's petition to continue regulating cellular rates.

In the midst of the recent recession, defense cutbacks and business flight from California, the state's cellular industry stood out like a diamond in the rough. Cellular phones became one of the fastest growing consumer products in history. With annual growth rates reaching 45 percent, California has, and will continue to benefit handsomely from the industry's productivity.

However, despite the economic boost that cellular has brought the state, the California Public Utilities Commission imposes the country's strictest cellular regulation. The California Manufacturers Association is especially sensitive to any regulatory encroachments that might damage an emerging industry.

Consider some of the cellular's benefits to California:

- The state's cellular carriers alone account for nearly 5,000 jobs. Countless other jobs are provided by the industry to equipment manufacturers, researchers, the computer industry and construction contractors.
- Many of the state's defense contractors, including TRW, Hughes, Aircraft & Loral have found cellular research and technology development to be a valuable means of staying competitive and preventing layoffs.
- The industry has made almost \$3 billion in capital investments.
- Led by California's wireless firms, cellular telephones and technology are fast becoming internationally omnipresent, providing a balance of trade that tips strongly in California's and the country's favor.

980 Ninth Street Suite 2200 Sacramento CA 95814-2742 (916)441-5420 FAX(916)447-9401 Reed Hundt, Chairman Page two March 6, 1995



Under the context of these benefits, the fact that cellular rates are dropping and the industry is becoming more competitive, it is very difficult to understand why California's PUC wants to continue stringent regulations on cellular.

The purpose of regulation is to protect customers from monopoly power. Cellular phones are a great means of communication, but they are certainly not the necessity that electricity, gas, or even landline phones are. Indeed, cellular only has seven percent market penetration in California, less than most other states due in large part to stifling regulation.

We urge you to reject the California Public Utilities Commission's petition. It will allow competition to flourish in California's cellular industry and provide benefits to California's businesses and citizens.

Sincerely,

WILLIAMICAMPBEL

WC:jir

c: Commissioner James H. Quello Commissioner Andrew C. Barrett Commissioner Susan Ness



### CALIFORNIA CHAMBER of COMMERCE

ALLAN ZAREMBERG

SENIOR VICE PRESIDENT, LEGISLATIVE AFFAIRS

March 7, 1995

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"CC MAIL ROOM

Reed Hundt, Chairman Federal Communications Commission 1919 M Street, NW, Room 814 Washington D.C. 20554

Dear Chairman Hundt:

The California Chamber of Commerce strongly urges you to reject the petition of the California Public Utilities Commission to continue the nation's strictest regulation over California's cellular industry. We believe that such continued regulation is not in the best interest of California's consumers and its economy.

California's cellular industry has been a tremendous boost to the state in spite of ill-considered and harmful regulation. California is such an ideally mobile state that it should be the leader in cellular communications and technology. We are concerned the state and its consumers will be denied the full benefits of vigorous competition by this needless regulation.

Continued regulation is even more questionable in light of new wireless competitors soon to come to each market in large part as a result of the FCC's broadband auction that is nearing completion.

California's Public Utilities Commission represents only one opinion in the state of California. We strongly urge you to reject California's petition to allow for full and unfettered competition for California's cellular industry.

Sincerely,

Allan Zaremberg

AZ:dl

Reed Hundt March 10, 1995 Page 2



cc: Commissioner James H. Quello Commissioner Andrew C. Barrett

Commissioner Susan Ness

The Honorable Pete Wilson, Governor

Bob White, Chief of Staff

George Dunn, Deputy Chief of Staff

Congressman Christopher Cox Congressman Carlos Moorhead Congresswoman Anna Eshoo Congressman Henry Waxman Congressman Brian Bilbray

Stephen E. Carlson, Cellular Carriers Assoc. of CA